

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 189 – SB 177

January 15, 2021

SUMMARY OF BILL: Authorizes beer manufacturers to self-distribute beer within a 100-mile radius of the manufacturing facility. Requires the manufacturer to acquire a wholesaler license to participate in the self-distribution from the Department of Revenue (DOR). Prohibits counties and cities from imposing an additional permit fee but authorizes them to impose a separate privilege tax.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$200/FY21-22 and Subsequent Years/Department of Revenue
\$200/FY21-22 and Subsequent Years/Tennessee Highway Patrol**

Increase Local Revenue – \$2,300/FY21-22 and Subsequent Years

Assumptions:

- It is assumed that at least 23 current manufacturers in the state will obtain a self-distribution permit pursuant to this legislation, upon payment of the wholesaler registration fee and the local privilege tax.
- Pursuant to Tenn. Code Ann. § 57-5-102(b) and (d), the wholesaler registration fee is \$20; 50 percent of the proceeds are retained by DOR and 50 percent are allocated to the Tennessee Highway Patrol (THP).
- Pursuant to Tenn. Code Ann. § 57-5-104(b), the local privilege tax is \$100.
- The recurring increase in revenue, beginning in FY21-22, is estimated to be:
 - \$230 for DOR (23 manufacturers x \$20 fee x 50% allocation);
 - \$230 for THP (23 manufacturers x \$20 fee x 50% allocation); and
 - \$2,300 for the local government (23 manufacturers x \$100 tax).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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